GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5148
ANSWERED ON:26.04.2002
WORLD BANK REPORT ON ECONOMIC DEVELOPMENT
A. VENKATESH NAIK

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Wold Bank has published its global development finance, 2002, report recently;

(b) if so, whether any reference has been there in regard to India for the current year;

(c) if so, the details thereof;

(d) whether countries like India and Pakistan whose economy is based on commodity export were really hit hard due to lowest prices in the international market of products like coffee, cotton, rice and soyabeans etc. and

(e) if so, the strategy planned by the Government in view of the World Bank Report to boost its economic growth in 2002-03?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) Yes, Sir. World Bank has published its Global Development Finance, 2002, report, recently.

(b)&(c) In Global Development Finance, 2002 published by World Bankreference with respect to Indian economy has been inter alia made stating that current sluggishness of growth was mainly due to tepid domestic demand although external factors have played greater role than was typical in the past.

(d) There has been a secular decline in the international market of commodity prices.

Commodity prices of coffee, cotton and soyabeans are as under:

Commodity	Unit	1990	2000	2001
Coffee,other milds	Cents per Kg	197.2	192.0	137.3
Coffee robusta	Cents per Kg	118.2	91.3	60.7
Soyabeans	Dollars per metric tonne	246.8	211.8	195.8
Cotton	Cents per kg.	181.9	130.2	105.8

Source : Global Development Finance, 2002

(e) In the Budget presented for 2002-03, a number of measures have been announced in the form of investment in infrastructure, continuing reforms in agriculture and food sector, strengthening financial sector and capital market, deepening structural reforms and regenerating industrial growth etc. to accelerate the economic growth of the country. Besides this, policy package announced in the EXIM Policy 2002-07 recently has also incorporated a number of measures to proactively promote exports which inter alia include permitting off shore Banking units in Special Economic Zones, transport subsidy for export of certain agricultural products, development of centers of export excellence, additional support for electronic hardware exports and further reduction in transaction cost. Further Medium Term Export Strategy has also been announced for the period 2002-07 which aim at achieving 1% of world exports by the year 2006-07. All these measures are intended to boost economic growth in general and export growth in particular.